

State of Arizona  
House of Representatives  
Forty-sixth Legislature  
Second Regular Session  
2004

CHAPTER 229

# HOUSE BILL 2109

AN ACT

AMENDING SECTION 38-891, ARIZONA REVISED STATUTES; RELATING TO THE  
CORRECTIONS OFFICER RETIREMENT PLAN.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 38-891, Arizona Revised Statutes, is amended to  
3 read:

4 38-891. Employer and member contributions

5 A. As determined by actuarial valuations reported to the employers and  
6 the local boards by the fund manager, each employer shall make level per cent  
7 of salary contributions sufficient under the actuarial valuations to meet  
8 both the normal cost plus the actuarially determined amount required to  
9 amortize the unfunded accrued liability over a rolling twenty year period  
10 commencing on July 1, 1997, except that, beginning with fiscal year 2001-2002  
11 2005-2006, the employer contribution rate shall not be less than two FOUR per  
12 cent of salary. An employer may pay a higher level per cent of salary  
13 thereby reducing its unfunded past service liability. All contributions made  
14 by the employers and all state taxes allocated to the fund shall be  
15 irrevocable and shall be used to pay benefits under the plan or to pay  
16 expenses of the plan and fund. Forfeitures arising because of severance of  
17 employment before a member becomes eligible for a pension or for any other  
18 reason shall be applied to reduce the cost to the employer, not to increase  
19 the benefits otherwise payable to members.

20 B. Each member shall contribute eight and one-half per cent of the  
21 member's salary to the retirement plan. Member contributions shall be made  
22 by payroll deduction. Continuation of employment by the member constitutes  
23 consent and agreement to the deduction of the applicable member  
24 contribution. Payment of the member's salary less the deducted contributions  
25 constitutes full and complete discharge and satisfaction of all claims and  
26 demands of the member relating to salary for services rendered during the  
27 period covered by the payment.

28 C. Each participating employer shall cause the member contributions  
29 to be deducted from the salary of each member. The deducted member  
30 contributions shall be paid to the retirement plan within five working days  
31 and shall be credited to the member's individual account.

32 D. During a period when an employee is on industrial leave and the  
33 employee elects to continue contributions during the period of industrial  
34 leave, the employer and employee shall make contributions based on the salary  
35 the employee would have received in the employee's job classification if the  
36 employee was in normal employment status.

37 E. The local board of the state department of corrections or the local  
38 board of the department of juvenile corrections may specify a position within  
39 that department as a designated position if the position is filled by  
40 an employee who has at least five years of credited service under the plan,  
41 who is transferred to temporarily fill the position and who makes a written  
42 request to the local board to specify the position as a designated position  
43 within ninety days of being transferred. On the employee leaving the  
44 position, the position is no longer a designated position.

1 F. The local board of the state department of corrections or the local  
2 board of the department of juvenile corrections may specify a designated  
3 position within the department as a nondesignated position if the position  
4 is filled by an employee who has at least five years of credited service  
5 under the Arizona state retirement system and who makes a written request to  
6 the local board to specify the position as a nondesignated position within  
7 ninety days of accepting the position. On the employee leaving the position,  
8 the position reverts to a designated position.

9 G. IF THE AGGREGATE COMPUTED EMPLOYER CONTRIBUTION RATE THAT IS  
10 CALCULATED PURSUANT TO SUBSECTION A IS LESS THAN FOUR PER CENT OF SALARY,  
11 BEGINNING ON JULY 1 OF THE FOLLOWING FISCAL YEAR THE MEMBER CONTRIBUTION RATE  
12 PRESCRIBED IN SUBSECTION B IS PERMANENTLY REDUCED BY AN AMOUNT THAT IS EQUAL  
13 TO THE DIFFERENCE BETWEEN FOUR PER CENT AND THE AGGREGATE COMPUTED EMPLOYER  
14 CONTRIBUTION RATE. NOTWITHSTANDING THIS SUBSECTION, THE MEMBER CONTRIBUTION  
15 RATE SHALL NOT BE LESS THAN 7.65 PER CENT OF THE MEMBER'S SALARY.

APPROVED BY THE GOVERNOR MAY 14, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 14, 2004.



Passed the House March 11, 2004

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

Jake Flake  
Speaker of the House

Norman L. Spore  
Chief Clerk of the House

Passed the Senate April 29, 2004

by the following vote: 26 Ayes,

0 Nays, 4 Not Voting

Ken Bennett  
President of the Senate

Chambers Bellinger  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this 14 day of

May, 2004,

at 1<sup>50</sup> o'clock P. M.

Jon R. Rye  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 14 day of May, 2004

at 3:17 o'clock P. M.

H.B. 2109

\_\_\_\_\_  
Secretary of State

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

May 10, 2004,

by the following vote: 51 Ayes,

0 Nays, 9 Not Voting

Joe Flake  
Speaker of the House

Thomas L. Joyce  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

10<sup>th</sup> day of May, 2004,

at 2:40 o'clock P. M.

Wendell Upbarra  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

H.B. 2109

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 14 day of May, 2004,

at 3:17 o'clock P. M.

James K. Brewer  
Secretary of State